



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

**FOR IMMEDIATE RELEASE**  
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## **Whidbey Island Bank, Coupeville, Washington, Assumes All Of The Deposits Of City Bank, Lynnwood, Washington**

City Bank, Lynnwood, Washington, was closed today by the Washington Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Whidbey Island Bank, Coupeville, Washington, to assume all of the deposits of City Bank.

The eight branches of City Bank will reopen during normal business hours beginning Saturday as branches of Whidbey Island Bank. Depositors of City Bank will automatically become depositors of Whidbey Island Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their former City Bank branch until they receive notice from Whidbey Island Bank that it has completed systems changes to allow other Whidbey Island Bank branches to process their accounts as well.

This evening and over the weekend, depositors of City Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of December 31, 2009, City Bank had approximately \$1.13 billion in total assets and \$1.02 billion in total deposits. Whidbey Island Bank paid the FDIC a premium of 1.0 percent to assume all of the deposits of City Bank. In addition to assuming all of the deposits, Whidbey Island Bank agreed to purchase approximately \$704.1 million of the failed bank's assets.

The FDIC and Whidbey Island Bank entered into a loss-share transaction on \$455.6 million of City Bank's assets. Whidbey Island Bank will share in the losses on the asset



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-82-2010

pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please

visit: <http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-881-7816. The phone number will be operational this evening until 9:00 p.m., Pacific Daylight Time (PDT); on Saturday from 9:00 a.m. to 6:00 p.m., PDT; on Sunday from noon to 6:00 p.m. PDT; and thereafter from 8:00 a.m. to 8:00 p.m., PDT. Interested parties also can visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/citybank.html>.

As part of this transaction, the FDIC will acquire a value appreciation instrument. This instrument serves as additional consideration for the transaction.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$323.4 million. Whidbey Island Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to all alternatives. City Bank is the 50th FDIC-insured institution to fail in the nation this year, and the fifth in Washington. The last FDIC-insured institution closed in the state was Rainier Pacific Bank, Tacoma, February 26, 2010.

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